

Detroit Intermodal Freight Terminal

Background

Intermodal transportation, the fastest growing segment of the freight industry, is an essential element in the growth and success of industries and businesses in southeast Michigan. Detroit is already one of the top ten intermodal markets in North America. Its key location as the gateway to Canada, its long history as the home of the automotive industry, its role as a major manufacturing center, and its population of five million consumers make the Greater Detroit Area a major intermodal transportation market.

The Michigan Department of Transportation (MDOT) sponsored studies to look at intermodal growth issues and terminal needs in the Greater Detroit Area. The studies determined that approximately 400,000 trailers or containers per year are handled at the existing terminals in the Detroit area and an additional 180,000 are trucked to other intermodal terminals located in Chicago, Toledo, Cincinnati, and Toronto. The traffic that is trucked to other rail gateways adds further congestion to the major international corridors across Michigan, including I-94 and I-75.

The studies also found that the area was served by a dispersed set of relatively small intermodal terminals which were mostly operating at or above their design capacity. Estimates of growth of intermodal traffic for the region were generated (which have been shown to be conservative) and compared with the terminal capacity. The total number of trailers or containers that will be handled in Detroit, including those currently trucked to other gateways, could increase to one million by 2015 or sooner. It was evident that the existing terminals were insufficient to accommodate the expected growth of traffic and that the “do nothing” approach would result in each railroad adding additional terminal capacity, and perhaps additional terminals, when needed and without any coordination with other carriers or shippers. The result would be an even more inefficient, widely dispersed set of terminals--each of which would place demands on the highway system for access. Since the planning efforts began, two railroads have constructed additional terminals to accommodate intermodal traffic growth.

MDOT's consultants then proposed the development of a large intermodal terminal which would be served by all Class I railroads and provide the economies of scale which would allow lower operating costs and increased capacity. Additionally, the Michigan Department of Transportation and local road agencies could focus their resources on providing a high-level access to a single intermodal terminal site. An extensive site selection process was undertaken for a possible location. The area including and surrounding the existing Junction/Livernois Yard was determined to be the best location for the intermodal terminal complex. The area has the following attributes:

- The rail yard has been in existence for over a century and is underutilized
- The area is accessible to all Class I railroads (Canadian National, Canadian Pacific, CSX Transportation, Norfolk Southern) and is centrally located between I-75 and I-94, Michigan's principal commercial highways and international corridors
- The area is centrally located with respect to shippers in southeast Michigan

- The area is predominantly zoned for industrial or manufacturing purposes

Project Benefits

Development of the Detroit Intermodal Freight Terminal complex will provide significant benefits to both the public and private sectors.

For the State of Michigan and the Greater Detroit Area, the project will provide:

- Reduced truck traffic, particularly on the major border access corridors of I-94 and I-75 and international border crossings, resulting in less congestion and lower maintenance costs
- An opportunity to focus development of intermodal connectors
- Increased competitiveness for goods produced
- A world-class transportation hub around which further industrial redevelopment can occur
- Improved long-term viability of the automotive industry
- Job growth and an improved tax base

For the railroads, the project will provide:

- Opportunities to gain additional intermodal traffic from the automotive industry, their suppliers, and other major shippers
- Additional low-cost, efficient, local rail infrastructure and terminal capacity

For the automotive industry and other major shippers, the project will provide:

- Enhanced access to both international and domestic intermodal freight transportation systems
- Efficient service based on equal access for all Class I railroads in southeast Michigan
- Improved intermodal access to the 8th largest metropolitan area in the United States
- A greater range of freight transportation service options

Development Plan

The consulting team's original concept proposal called for the development of a single, large intermodal terminal which would be utilized by all the Class I railroads serving the Greater Detroit market. The terminal would possibly be publicly-owned and developed cooperatively by the public and private sectors. The concept was discussed extensively with the railroads, which had concerns about ownership issues and operations into an intermodal terminal that they did not control. As a result of these very useful discussions with the railroads, the concept was modified slightly to include a complex of intermodal terminals, each owned or operated by individual railroads. This allows each railroad to control its own service, operations, and reliability, while preserving the benefits of consolidating intermodal services into a single area.

Actual development of the terminal complex will be a partnership between the public sector and the private railroads which provide intermodal freight services. Public monies will be made available on a matching basis, either through loans or grants, to individual railroads for the construction of or improvements to intermodal terminals within the complex, or for improvements to the rail infrastructure

which provides access to the complex. The automotive industry and other major shippers will participate in the form of agreements with the railroads to offer intermodal cargo to be carried by the railroads. Provision of adequate highway access to the terminal complex will be the responsibility of the appropriate state, county, or city road authority.

Current Status

Planning and coordination have continued to refine the concept and address issues including property requirements, funding mechanisms, governance, terminal operations, trackage rights, highway improvements, and environmental impacts. Negotiations with each of the railroads, the automotive industry, and other major shippers continue.

A project Steering Committee meets monthly to monitor the progress and guide the project. It includes representatives from the Michigan Department of Transportation, Detroit Department of Transportation, Detroit Economic Growth Corporation, City of Dearborn, Wayne County, Southeast Michigan Council of Governments, Federal Highway Administration, DaimlerChrysler Corporation, Ford Motor Company, General Motors Corporation, and the consulting firms under contract to MDOT.

A Local Advisory Council has been established and is comprised of a variety of organizations and agencies. It receives project reports prior to discussions at public meetings and provides regular input to the project, including the evaluation of highway access alternatives.

A series of meetings for the general public are scheduled to be held within the local community. The purpose is to provide information concerning the project to the local residents and other interested parties, as well as receiving comments from them.

The project is included in the Southeast Michigan Council of Government's Regional Transportation Plan and Transportation Improvement Program, and in the Michigan Department of Transportation's State Transportation Improvement Program.

Public Endorsements

The project has received strong support from Governor John Engler, Mayor Dennis Archer, Congresswoman Kilpatrick, Congressman Dingell, and others. Governor Engler's support has included personal conversations with the CEO's of the Class I railroads and automotive industry executives, as well as approval for continued state planning activities for the project. Mayor Archer has stated his support through numerous meetings and conversations with automotive industry executives and direction to city agencies to participate in the project. As a state legislator, Ms. Kilpatrick sponsored legislation leading to the initial consultant study of the project. As a Congresswoman, she and Congressman Dingell have expressed their support for the project by including it as a high priority project within TEA-21 and providing \$18 million in federal funding. Support from private parties includes the automotive manufacturers, other shippers, and railroads. Negotiations and discussions with these parties continue and they are directly participating in the planning process for the project.

